

REPORT

THE NATIONAL ASSEMBLY OF

DATE: 23 MAR 2022

UCIGO (PM)

TABLED
BY:

Lom

THE AUDITOR-GENERAL

CLERK-AT
THE-TABLE:

IMZOFY

ON

**NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND –
DADAAB CONTITUENCY**

**FOR THE YEAR ENDED
30 JUNE, 2020**



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -DADAAB
CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020**

Prepared in accordance with the Cash Basis of Accounting Method under the International Public
Sector Accounting Standards (IPSAS)

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
DADAAB CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

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I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) (hereafter referred to as the Fund) formerly Constituencies Development Fund (CDF), is a fund established in 2003 through an Act of Parliament, the Constituencies Development Fund Act, 2003. The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013. The latter was subsequently succeeded by the current NG-CDF Act, 2015. At cabinet level, NG-CDF is represented by the Cabinet Secretary for Devolution, who is responsible for the general policy and strategic direction of the Fund.

Mandate

The mandate of the Fund as derived from sec (3) of NG-CDF Act, 2015 is to:

- a) Recognize the constituency as a platform for identification, performance and implementation of national government functions;
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of the marginalized pursuant to Article 10 (2) (b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10 (2) (d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21 (2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to deliberate on and resolve issues of concern to the people as provided for under Article 95 (2) of the Constitution;
- h) provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201 (b) (iii) of the Constitution;
- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

To provide leadership and policy direction for effective and efficient management of the Fund

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Core Values

1. Patriotism – we uphold the national pride of all Kenyans through our work
2. Participation of the people- We involve citizens in making decisions about programmes we fund
3. Timeliness – we adhere to prompt delivery of service
4. Good governance – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people
5. Sustainable development – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

(b) Key Management

The NGCDF DADAAB Constituency day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 20 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	A.I.E holder	Ahmed .I. Mohamed
2.	Sub-County Accountant	Eric Mwenda Miriti
3.	Chairman NGCDFC	Haron Mohamed
4.	Member NGCDFC	Adow Mohamed Jama

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NGCDF -DADAAB Constituency. The reports and recommendation of ARMC when adopted by the NGCDF Board are forwarded to the Constituency Committee for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

(e) NGCDF DADAAB Constituency Headquarters

P.O. Box 1522-70100
Along kismayu Rd, Opp Texas petrol station
Garissa, KENYA

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(f) NGCDF DADAAB Constituency Contacts

Telephone: (254) 712 242 384
E-mail: cdfdadaab@ngcdf.go.ke
Website: www.go.ke

(g) NGCDF DADAAB Constituency Bankers

1. First Community Bank
P.O. Box 593 - 70100
Garissa, Kenya

(h) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

II.FORWARD BY THE CHAIRMAN NGCDF COMMITTEE

The NG-CDFCs wish to have in summary the budget performance against actual amounts for current year based on economic classification and programmes. The NG-CDF has improved the Education and Security infrastructures of dadaab. However, there have been emerging issues like political, economic, social, legal and global challenges influencing the implementation of NG-CDF Project. Other issues affecting the project implementation process is the late disbursement of funds, late approved of proposals and reallocations



Sign

CHAIRMAN NGCDF COMMITTEE

III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETERMINED OBJECTIVES

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of NGCDF-DADAAB Constituency's *2018-2022* plan includes the following to:

Strategic Area One: Education

Broad Objectives: To improve education outcomes at all levels of learning within Dadaab learning parameters.

Specific Objectives: To be among top performing constituencies in both academic and co-Curriculum activities

Strategies:

- Bursaries for needy students (P1, Diploma, nurses, Doctors).
- Building and upgrade of educational infrastructure
- Scholarships/sponsorship for Secondary and college students to reduce poverty
- Construction of education excellence centers
- Develop integrated education system
- Introduce Mentoring, life skills, leader programs in schools
- Donation of learning and teaching materials to school
- Built public libraries at central location.
- Train ECD teachers
- Develop integrated education system for nomadic lifestyle geared toward poverty reduction/wealth creation.

Strategic Area Two: Security Sub Sector

Broad Objectives: Enhance security for residents through multi-stakeholder pronged approaches.

Specific Objectives:

- Improved security and reduce insecurity as well as diminish number of youths joining terror groups.
- Improve border security and strengthen security establishment.
- To improve morale of security personnel hence better services.
- To conduct regular patrols undertaken to preempt terror attacks.

Strategies:

- Construct police post and staff quarters.
- Build staff house/kips and motor proof sand bag.
- Construction of police lines, fence and digging defense trenches for the forces.
- Promote nyumba kumi, know your neighbor campaign and anti-radicalization initiatives.
- Facilitation of NPRs as well as community policing

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Strategic Area Three: Sports and Youth Sector

- Broad Objectives:** To improve sports outcomes and talents at all levels of youths.
- Specific Objectives:** To improve sports facilities geared towards not only promoting football but also other sports such as athletics.
To develop youth talents.
To improve sports performance at the constituency level and at least win one awards at county level.
To repose grabbed sports facilities.
To have economically engaged youth and increase employment opportunities.
- Strategies:** Develop and equip sports facilities.
Hold annual talent shows.
Link youth sports clubs with county and national clubs.
Map all public playground and stadia land.
Empower Youth entrepreneurs: Increased compliance with AGPO requirement.

Strategic Area four: Environment and sanitations.

- Broad objectives:** To enhance environmental, water and sustainable sanitation.
To enhance environmental, water and sustainable sanitation.
To plan for unforeseen emergencies and disasters at constituency level
- Specific Objectives:** Increased afforestation and improved environment conservation.
Increased hygiene and environmental safety.
Increased access to water.
Increased rain water harvesting.
Increased water banking for use during draught.
Improved hygiene and environmental safety.
- Strategies:** Plant more trees.
Hold quarterly environmental clean ups.
Rehabilitation of bore holes per wards.]
Drill community boreholes.
Construction of water gutters for rain harvesting.
Procurement of water tanks.
Construction of waste dumping sites.

Strategic Area five: Other National Government Functions Sector

- Broad Objectives:** To improve Dadaab constituents access to other national government services.
- Specific Objectives:** To construct registration of persons facilities
To establish child protection facilities
To improve youths and gender rights at the constituency level

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To initiate health care insurances among nomadic populations and reduction of vulnerable families at Constituency level.
To hold sensitization meetings and barazas for Dadaab residents on the need to have NHIF and other medical insurances.
To functional criminal justice system with full time resident district magistrate.

Strategies:

Ease access to government services
Establishment of child protection services
Establishment of Youth and Gender affairs office
Rolling out of social protection system
Operationalization of criminal justice system

Strategic Area Six: Emergencies Sector

Broad Objectives:

To plan for unforeseen emergencies and disasters at constituency level.

Objectives:

To improve timely response to unforeseen events.
To establish and improve disaster response and mitigation plans.
To offer proactive advice as well as action on draught mitigations efforts.
To offer effective response to wildfires.

Strategies:

Establishment of risk management plans.
Set aside funds for unforeseen circumstances.
Disaster preparedness and mitigation plan.
Management of wildfire.

Progress on attainment of Strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To improve education outcomes at all levels of learning within Dadaab learning parameters	Bursaries for needy students. Scholarships/sponsorship for Secondary and college students to reduce poverty	Increased number pupils and students with bursaries at the beginning of each year Increased scholarship students each academic year	Number of students who got bursaries and sponsorship

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	Building and upgrade of educational infrastructure	Improved student learning environment	All primary and secondary schools	Number of primary and secondary schools built and upgarded
Security	Construct police post and staff quarters	Improved border security and reduced insecurity	Built six police post in the border locations (Liboi, Dadaab, Alango Arba, Kumahumato, Labasigale)	Number of police post built and staff quarters constructed
	Build staff house/kips and motor proof sand bag	Improved morale of security personnel hence better services	six kips and adequate sand bag provided (Liboi, Dadaab, Alango Arba, Kumahumato, Labasigale)	Number of staff house having kips and sand bags
Environm ent	Construction of water gutters for rain harvesting	Increased rain water harvesting	30 gutter system constructed	Number of water gutters constructed
	Procurement of water tanks	Increased water banking for use during draught	Purchasing of 50 water tanks and installed(6 per wards)	Number of water tanks purchased and installed
Sports	Hold annual talent shows	Youth talents developed	One talent show per year; venue and activities reports/picture	Number of talent shows held.
Emergenc y	Establishment of risk management plans	Improved disaster response and mitigation plans	Evacuation of disaster victims such as floods, earthquakes,	Number of victims evacuated
	Set aside funds for Unforeseen circumstances	Improved timely response to unforeseen events	Construct blown roofs, sunk toilets, and collapse of structures at the constituency level	Number of unforeseen events and remedies undertaken

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IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

NGCDF – DADAAB Constituency exists to transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to deliver our strategy, which is founded on social sector, namely; Education & Training, Security Sector Support, Environment, and Sports. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

SUSTAINABILITY STRATEGY AND PROFILE

The Dadaab NG-CDF Committee endeavoured to work within the existing policy guidelines that helped in focusing on the service deliver and drive to better performance with the involvement of both internal and external stakeholders on matters development. The relevance of this was attributed to our vision, mission and core values as provided for in our strategic plan.

Model	Definition	Relevance to sustainable strategy
Vision	A truly prosperous constituency to give every resident better standard of living.	What the constituency is striving for in the future that influence the strategies, purpose and aspirations put in place
Mission	To transform lives by harmonizing and managing resources to create an environment for equitable and sustainable development and prosperity of all Dadaab constituents.	This communicates what the office does to attain sustainable developments
Core Values	Transparency and accountability. Professionalism and integrity. Professionalism and integrity. Commitment and teamwork / Neutrality and objectivity/ Timeliness and excellence/ Advocacy for citizen participation	These are the norms , principles and beliefs that the office upholds in order to follow the right path towards attainment of the set objectives

1. ENVIRONMENTAL PERFORMANCE

Environment Policy and Action Plan Protection of the environment in which we live and operate is part of Dadaab NG-CDF initiatives Care for the environment is one of our key responsibilities and an important aspect in the way in which carry out our operations. Our Environmental Policy

In this policy statement

- ✓ Plant more trees.
- ✓ Hold quarterly environmental clean ups.
- ✓ Rehabilitation of bore holes per wards.
- ✓ Drill community boreholes.
- ✓ Construction of water gutters for rain harvesting.
- ✓ Procurement of water tanks.
- ✓ Construction of waste dumping sites.

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2. EMPLOYEES WELFARE TERMS AND CONDITIONS OF SERVICE

This highlights the general rules governing employment of NG-CDFC staff in such matters as appointments, promotions and related matters.

3. MARKET PLACE PRACTICES

NG-CDFC fund was designed to support constituency-level, grass-root development projects. It is aimed to achieve equitable distribution of development resources across regions and to control imbalances in regional development brought about by partisan politics. It targets all constituency-level development projects.

During projects implementation the office transfers funds to the Project Management Committees who are thereafter guided during tendering process, to ensure that the locals benefit competitively in the provision of services and materials to the projects.

Payments to suppliers are done promptly upon presentation of requisite supporting documents

Advertisement for tenders is done publicly and no form of discrimination is applied to unfairly lock out interested bidders

In order to safeguard consumer rights and interests, the Dadaab NG-CDF came up with a service charter and the complaints handling policy, principles and procedures brochure. The service charter points out our commitment in ensuring that we provide quality services to our customers with high level professionalism, dignity, integrity and courtesy, whereas complaints handling policy, principles and procedures shows our commitment to consistent, fair and confidential complaint handling and to resolve complaints as quickly as possible

4. COMMUNITY ENGAGEMENTS

Public Participation in Project Identification and Implementation and Monitoring

The NG-Constituency Development Act 2015 stipulates in part 5 section 27 subsection 1 and 2 that the chairperson of the NG-CDFC shall, within the first year of the commencement of a new Parliament and at least once every two years thereafter, convene open forum public meetings in every ward in the constituency to deliberate on development matters in the ward and in the constituency.

The NG-CDFC shall then deliberate on project proposals from all the wards in the constituency and any other projects which the Constituency Committee considers beneficial to the constituency, including joint projects with other constituencies, consider the national development plans and policies and the constituency strategic development plan, and identify a list of priority projects, both immediate and long term, out of which the list of projects to be submitted in accordance with the Act shall be drawn from. There after the list of proposed constituency based projects to be covered under this Act shall be submitted by NG-CDFC to the Board.

Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision.

Covid-19 Mitigation Measures

Taking into consideration the current Corona Virus epidemic, in line with the Governments directive on reducing the chances of being infected or spreading COVID-19, the office resolved in aiding by taking the following precautionary measures by distributing 150 bottles of 500mls sanitizers to the community free of charge, purchased 75 hand wash tanks (50 liters) with metal stand to the Government offices within the constituency.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

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V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

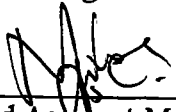
The Accounting Officer in charge of the NGCDF-DADAAB Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 20XX. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-DADAAB Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 20XX, and of the entity's financial position as at that date. The Accounting Officer in charge of the NGCDF-DADAAB Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

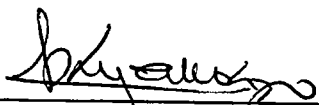
The Accounting Officer in charge of the NGCDF-DADAAB Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF-DADAAB Constituency financial statements were approved and signed by the Accounting Officer on 26/07/2020 2020.

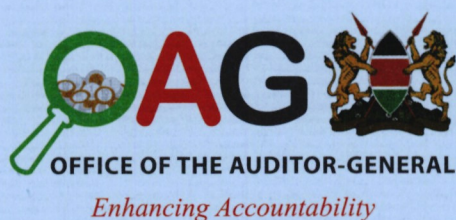


Fund Account Manager
Name:



Sub-County Accountant
Name:
ICPAK Member Number:

REPUBLIC OF KENYA



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E-mail: info@oagkenya.go.ke
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Anniversary Towers
Monrovia Street
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - DADAAB CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Dadaab Constituency set out on pages 14 to 34, which comprise the statement of financial assets and liabilities as at 30 June, 2020 and the statement of receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development combined for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituencies Development Fund - Dadaab Constituency as at 30 June, 2020 and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the National Government Constituencies Development Fund Act, 2015.

Basis for Qualified Opinion

1.0 Errors in Presentation and Disclosure of Financial Statements

Review of the financial statements revealed that the Management did not disclose bank balances for sixteen (16) Project Management Committees (PMC) bank accounts. Further, the bank statements and bank certificates balances for the accounts as at 30 June, 2020 were not provided for audit.

Consequently, the accuracy and completeness of the PMC bank account balances could not be confirmed.

2.0 Unsupported Expenditure

The statement of receipts and payments and as disclosed in Note 5 to the financial statements reflects other grants and transfers balance of Kshs.44,282,518. Included in the amount is Kshs.2,519,800 and Kshs.14,887,238 totalling to Kshs.17,407,038

disbursed to various secondary schools and tertiary institutions as bursary to needy students. However, a review of the expenditure and other supporting documents revealed that bursary disbursements of Kshs.4,600,000 were not acknowledged through official receipts or acknowledgement letters from beneficiary institutions. In addition, the Fund did not maintain a cheque's register records issuance of cheques.

Consequently, the validity of the expenditure of Kshs.4,600,000 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Dadaab Constituency Management in accordance with the ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matter

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Other Matter

1.0 Budgetary Control and Performance

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.197,686,309 and Kshs.111,210,064 respectively resulting to an under-funding of Kshs.84,476,245 or 44% of the budget. Similarly, the Fund expended Kshs.114,534,835 against an approved budget of Kshs.197,686,309 resulting to an under-expenditure of Kshs.83,151,474 or 42% of the budget.

The underfunding and underperformance affected the planned activities and may have impacted negatively on service delivery to the public.

2.0 Project Implementation Status

The project implementation status report availed for audit review indicated the Fund had planned to implement forty nine (49) projects with a total project cost of Kshs.124,550,222. However, the Fund completed thirteen (13) education projects and four (4) security projects. Eight (8) of the remaining thirty-two (32) projects were on going while the other twenty-four projects had not started as at 30 June, 2020.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness

and Effectiveness in the Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Unutilized Project

During the year under review, the Management spent amount of Kshs.6,700,000 towards the construction of an office administration block for Dadaab District Education. Physical verification conducted in 18 March, 2021 established that the project was completed and handed over by the contractor. However, the project was not put in to use and was not labeled contrary to Regulation 15(1)(f) of the National Government Constituencies Development Fund Regulations, 2016 which states that the Project Management Committee shall undertake project closure, labelling and handover upon completion.

Consequently, the value for money in the implementation of the project has not been realized. Similarly, the Project Management Committee was in breach of the Regulations.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1.0 Incomplete Fixed Assets Register

Annex 4 to the financial statements reflects is a summary of fixed assets balance of Kshs.2,300,000 being the assets owned by the Fund as at 30 June, 2020. Although the Fund provided a Fixed Assets Register, it did not contain all the information required as per IPSAS 17 whose minimum requirements are; Identification or serial number, acquisition date, description of asset, location, class, cost of acquisition, accumulated depreciation, net book value and assets are tagged with identification codes.

In the circumstances, the completeness, accuracy, correctness and security of fixed assets worth Kshs.2,300,000 as at 30 June, 2020 could not be ascertained.

2.0 Lack of a Constituency Oversight Committee

During the year under review, Management had not appointed Constituency Oversight Committee contrary to Section 54(1) of the National Government Constituencies Development Fund Act, 2015 which requires that Constituency Oversight Committees to be appointed for every National Government Constituencies Development Fund.

In the circumstances, the Fund was in breach of the Law.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue to sustain its services, disclosing, as applicable, matters related to the sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to abolish the Fund or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error,

and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and overall governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

15 February, 2022

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
DADAAB CONSTITUENCY**

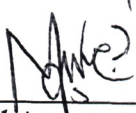
Reports and Financial Statements

For the year ended June 30, 2020

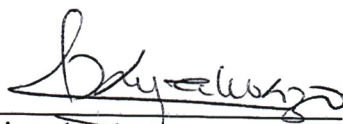
VII. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
RECEIPTS			
Transfers from NGCDF board	1	111,210,064	65,379,310
TOTAL RECEIPTS		111,210,064	65,379,310
PAYMENTS			
Compensation of employees	2	3,625,176	3,726,308
Use of goods and services	3	5,039,709	10,716,596
Transfers to Other Government Units	4	59,987,432	31,596,209
Other grants and transfers	5	44,282,518	63,059,302
Acquisition of Assets	6	1,600,000	-
TOTAL PAYMENTS		114,534,835	109,098,415
SURPLUS/(DEFICIT)		(3,324,771)	(43,719,105)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-DADAAB Constituency financial statements were approved on 26/04/2020 and signed by:



Fund Account Manager
Name:



National Sub-County Accountant
Name:
ICPAK Member Number:

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)

DADAAB CONSTITUENCY


Reports and Financial Statements

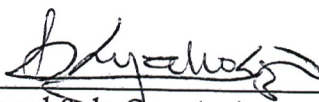
For the year ended June 30, 2020

VIII. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019-2020	2018-2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	7	1,652,536	4,977,307
Total Cash and Cash Equivalents		1,652,536	4,977,307
Current Receivables			
Outstanding Imprests		-	
TOTAL FINANCIAL ASSETS		1,652,536	4,977,307
FINANCIAL LIABILITIES			
Accounts Payable			
TOTAL FINANCIAL LIABILITIES		-	-
NET FINANCIAL ASSETS		1,652,536	4,977,307
REPRESENTED BY			
Fund balance b/fwd	8	4,977,307	48,696,411
Surplus/Deficit for the year		(3,324,771)	(43,719,104)
NET FINANCIAL POSITION		1,652,536	4,977,307

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-DADAAB Constituency financial statements were approved on 26/04 2020 and signed by:


Fund Account Manager
Name:


National Sub-County Accountant
Name:
ICPAK Member Number:


**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF)
DADAAB CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2020**

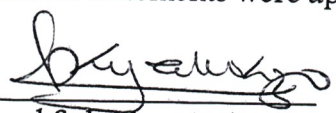
IX. STATEMENT OF CASHFLOW

		2019 - 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NGCDF Board	1	111,210,064	65,379,310
Total receipts		111,210,064	65,379,310
Payments for operating expenses			
Compensation of Employees	2	3,625,176	3,726,308
Use of goods and services	3	5,039,709	10,716,596
Transfers to Other Government Units	4	59,987,432	31,596,209
Other grants and transfers	5	44,282,518	63,059,302
Total payments		112,934,835	109,098,415
Total Receipts Less Total Payments			
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)		-	-
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)		-	-
Net cash flow from operating activities		(1,724,773)	(43,719,105)
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	6	1,600,000	-
Net cash flows from Investing Activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		(3,324,771)	(43,719,105)
Cash and cash equivalent at BEGINNING of the year	8	4,977,307	48,696,411
Cash and cash equivalent at END of the year	7	1,652,536	4,977,306

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-DADAAB Constituency financial statements were approved on 26/04/2020 and signed by:


Fund Accountant Manager
Name:

ICPAK Member Number:


National Sub-County Accountant
Name:

TIONAL GOVERNMENT CONSTITUENTS DEVELOPMENT FUND (NGCDF) – DADAAB CONSTITUENCY
ports and Financial Statements
the year ended June 30, 2020

SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NGCDF Board	137,367,724	60,318,585	197,686,309	111,210,064	86,476,245	56.2%
	137,367,724	60,318,585	197,686,309	111,210,064	81,498,938	56.2%
EXPENSES						
Compensation of Employees	3,900,000	212,953	4,112,953	3,625,176	487,777	88.1%
Use of goods and services	8,463,095	1,556,003	10,019,098	5,039,709	4,979,389	50.3%
Transfers to Other Government entities	52,169,748	32,898,966	85,068,714	59,987,432	25,081,282	70.5%
Other grants and transfers	72,834,881	20,973,636	93,808,517	44,282,518	49,525,999	47.4%
Acquisition of Assets		1,695,819	1,695,819	1,600,000	95,819	94.4
Other Payments	0	2,981,208	2,981,208	-	2,981,208	0.0%
TOTALS	137,367,724	60,318,585	197,686,309	114,534,835	83,151,474	57.9%

(a) [Provide below a commentary on significant underutilization (below 90% of utilization) and any overutilization (above 100%)]

- i. Use of goods and services – delay of funds from the board
- ii. Transfers of other government units- delay in the preparation of projects BQs and funds delay.
- iii. Other grants and transfers- delay of funds from the board

The NGCDF-DADAAB Constituency financial statements were approved on 26/04/2020 and signed by:



Sub-County Accountant

Name:

ICPAK Member Number:



Fund Account Manager

Name:

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – DADAAB CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

XI. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget 2019/2020 Kshs	Adjustments Kshs	Final Budget 2019/2020 Kshs	Actual on comparable basis 30/06/2020 Kshs	Budget utilization difference Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	3,900,000	212,953	4,112,953	3,625,176	487,777
Subtotals	3,900,000	212,953	4,112,953	3,625,176	487,777
2.3 Use of goods and services	8,463,095	1,556,003	10,019,098	5,039,709	4,979,389
Subtotals	8,463,095	1,556,003	10,019,098	5,039,709	4,979,389
7.0 Primary Schools Projects					
Lix Sheel Primary School	1,800,000	-	1,800,000	-	1,800,000
Marothiley Primary School	1,800,000	-	1,800,000	-	1,800,000
Dertu Primary School	3,000,000	-	3,000,000	-	3,000,000
Saretho Primary School	9,600,000	-	9,600,000	9,600,000	-
Magudo Primary School	1,700,000	-	1,700,000	-	1,700,000
Bula Kheir Primary school	1,700,000	-	1,700,000	-	1,700,000
Kumahumato community Empowerment group	-	150,000	150,000	150,000	-
Alikune Primary School Admin Block PMC	-	270,000	270,000	270,000	-
Qoqar primary school Admin block	-	770,000	770,000	770,000	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – DADAAB CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

Mutafaq Selfhelp Group	-	155,000	155,000	155,000	-
Dertu Primary School PMC	-	349,950	349,950	349,950	-
Tawakal Kumahumato Youth Group	-	150,000	150,000	150,000	-
Kumahumato primary staff house PMC	-	270,000	270,000	270,000	-
Maleley 1 Primary school PMC	-	270,000	270,000	270,000	-
Saretho tawakal youth group	-	802,200	802,200	802,200	-
Alango Arba Primary School Admin Block PMC	-	272,500	272,500	272,500	-
Saretho primary school Admin block PMC	-	270,000	270,000	270,000	-
Degelema Primary school PMC	-	80,000	80,000	80,000	-
Hamey Primary school PMC	-	45,000	45,000	45,000	-
8.0 Secondary Schools Projects					
Dadaab Secondary School	3,000,000	-	3,000,000	3,000,000	-
Nasib Secondary School	4,000,000	-	4,000,000	-	4,000,000
Alikune Secondary School	3,000,000	-	3,000,000	-	3,000,000
Alikune Secondary School	1,700,000	-	1,700,000	-	1,700,000
Liboi Secondary school	3,000,000	-	3,000,000	-	3,000,000
Liboi Secondary school	3,000,000	-	3,000,000	1,388,466	1,611,534
Damajalely secondary school	900,000	-	900,000	-	900,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – DADAAB CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

Damajaley secondary school	300,000	-	300,000	-	300,000
Damajaley Secondary School 2 No Classroom PMC	-	750,000	750,000	750,000	-
Damajaley Secondary School 2 No Classroom PMC	-	750,000	750,000	750,000	-
Damajaley Secondary School 2 No Classroom PMC	-	689,750	689,750	689,750	-
Dadaab Secondary school Fencing PMC	-	900,000	900,000	900,000	-
Dadaab Secondary school Fencing PMC	-	900,000	900,000	900,000	-
Dadaab Secondary school Fencing PMC	-	900,000	900,000	900,000	-
Dadaab Secondary school Fencing PMC	-	2,154,566	2,154,566	2,154,566	-
Damajaley Secondary School Admin Block PMC	-	3,600,000	3,600,000	3,600,000	-
Damajaley Secondary School Admin Block PMC	-	3,600,000	3,600,000	3,600,000	-
Damajaley Secondary School Admin Block PMC	-	3,600,000	3,600,000	3,600,000	-
Damajaley Secondary School Admin Block PMC	-	3,600,000	3,600,000	3,600,000	-
Dertu Secondary School Admin Block PMC	6,969,747	1,000,000	7,969,747	7,500,000	469,747
9.0 Tertiary institutions Projects					
Sub county Education office	3,000,000	-	3,000,000	2,900,000	100,000
DEO Admin Block PMC	3,700,000	3,000,000	6,700,000	6,700,000	-
Sub-Total	52,169,747	32,898,966	85,068,713	59,987,432	25,081,281
3.0 Emergency					

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – DADAAB CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

Emergency		7,198,241	-	7,198,241	6,635,000	563,241
4.0 Bursary and Social Security						
4.1 Primary Schools						
4.2 Secondary Schools		14,770,966	293,800	15,064,766	2,519,800	12,544,966
4.3 Tertiary Institutions & Universities		14,170,966	1,125,000	15,295,966	14,887,238	408,728
4.5 Social Security		6,000,000	-	6,000,000	-	6,000,000
5.0 Sports						
6.0 Environment	5.1	2,747,354	2,177,980	4,925,334	2,177,980	2,747,354
Saretho Primary School		457,892	350,000	807,892	350,000	457,892
Dadaab primary School		457,892	450,000	907,892	450,000	457,892
Liboi Primary school		457,892	350,000	807,892	350,000	457,892
Dagahley Primary school		457,892	-	457,892	-	457,892
Damajaley secondary school		457,892	-	457,892	-	457,892
Kulan Primary School		457,892	-	457,892	-	457,892
10.0 Security Projects						
Dadaab Deputy County Commissioner's Office		5,000,000	-	5,000,000	-	5,000,000
Alango Arba Administration Police Camp		3,000,000	-	3,000,000	-	3,000,000
Liboi Police Camp – Officer Commanding Station		2,000,000	-	2,000,000	-	2,000,000
Liboi Police Camp – Officer Commanding Station		1,000,000	-	1,000,000	-	1,000,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – DADAAB CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

Assistant County Commissioner Labasigale	3,400,000	-	-	3,400,000	-	3,400,000
Assistant County Commissioner Saretho	2,900,000	-	-	2,900,000	-	2,900,000
Deputy County Commissioner Liboi	2,900,000	-	-	2,900,000	-	2,900,000
Dadaab Divisional Criminal Investigation office	800,000	-	-	800,000	800,000	-
Dadaab Deputy county commission	600,000	-	-	600,000	-	600,000
Liboi Deputy County Commissioner	600,000	-	-	600,000	-	600,000
Assistant County Commissioner Saretho	600,000	-	-	600,000	-	600,000
Assistant County Commissioner Liboi	600,000	-	-	600,000	-	600,000
Assistant County Commissioner Labasigale	600,000	-	-	600,000	-	600,000
Liboi Police Camp – Officer Commanding Station	600,000	-	-	600,000	-	600,000
Liboi Administration Police Camp	600,000	-	-	600,000	-	600,000
Abakaile ACC Admin Block	-	900,000	900,000	900,000	900,000	-
Abakaile ACC Admin Block	-	900,000	900,000	900,000	900,000	-
Abakaile ACC Admin Block	-	900,000	900,000	900,000	900,000	-
Abakaile ACC Admin Block	-	900,000	900,000	900,000	900,000	-
Abakaile ACC Admin Block	-	770,000	770,000	770,000	770,000	-
Liboi DCC Admin Block PMC	-	900,000	900,000	900,000	900,000	-
Liboi DCC Admin Block PMC	-	900,000	900,000	900,000	900,000	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – DADAAB CONSTITUENCY

**Reports and Financial Statements
For the year ended June 30, 2020**

Liboi DCC Admin Block PMC	-	900,000	900,000	900,000	900,000	-
Liboi DCC Admin Block PMC	-	900,000	900,000	900,000	900,000	-
Liboi DCC Admin Block PMC	-	770,000	770,000	770,000	770,000	-
Dadaab Registration of person PMC	-	585,000	585,000	585,000	585,000	-
Abakaile ACC Admin Block	-	800,000	800,000	800,000	800,000	-
Abakaile ACC Admin Block	-	800,000	800,000	800,000	800,000	-
Abakaile ACC Admin Block	-	800,000	800,000	800,000	800,000	-
Abakaile ACC Admin Block	-	730,000	730,000	730,000	730,000	-
Liboi DCC Admin Block PMC	-	800,000	800,000	800,000	800,000	-
Liboi DCC Admin Block PMC	-	800,000	800,000	800,000	800,000	-
Liboi DCC Admin Block PMC	-	800,000	800,000	800,000	800,000	-
Liboi DCC Admin Block PMC	-	730,000	730,000	730,000	730,000	-
Damajaley D O office PMC	-	427,500	427,500	427,500	427,500	-
Sinan Development Group	-	214,356	214,356	214,356	100,000	114,356
Subtotals	72,834,881	20,973,636	93,808,517	44,282,518	49,525,999	
11.0 Acquisition of assets						
11.3 Purchase of furniture and equipment	-	1,195,819	1,195,819	1,100,000	95,819	
11.4 Purchase of computers	-	500,000	500,000	500,000	500,000	-
Subtotals	-	1,695,819	1,695,819	1,600,000	95,819	
12.0 Others						-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) – DADAAB CONSTITUENCY

**Reports and Financial Statements
For the year ended June 30, 2020**

12.2 Innovation Hub	-	2,981,208	2,981,208	-	2,981,208
Subtotals	-	2,981,208	2,981,208	-	2,981,208
TOTAL	137,367,723	60,318,585	197,686,308	114,534,835	83,151,473

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
GILGIL CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2020**

XII. SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

2. Reporting Entity

The financial statements are for the NGCDF-DADAAB Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

The financial statements are presented in Kenya Shillings (KShs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

4. Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by the Entity for all the years presented.

a) Recognition of Receipts

The Entity recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Entity.

Tax Receipts

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

Transfers from the Exchequer

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30th June 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

b) Recognition of payments

The Entity recognises all payments when the event occurs and the related cash has actually been paid out by the Entity.

Compensation of Employees

Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.

Use of Goods and Services

Goods and services are recognized as payments in the period when the goods/services are paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

Acquisition of Fixed Assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
DADAAB CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

In-kind contributions are donations that are made to the Entity in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Entity includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

6. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

7. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

8. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

9. Pending Bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Entity at the end of the year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

10. Unutilized Fund

Unutilized funds consist of bank balances in the constituency account and funds not yet disbursed by the Board to the constituency at the end of the financial year. These balances are available for use in the subsequent financial year to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(2) of NGCDF Act, 2015.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
D'ADAAB CONSTITUENCY**

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For the year ended June 30, 2020

SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2018 for the period 1st July 2018 to 30th June 2019 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

12. Comparative Figures

Where necessary, comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2020.

14. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

During the year, errors that have been corrected are disclosed under note 14 explaining the nature and amounts.

15. Related Party Transactions

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
DADAAB CONSTITUENCY
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For the year ended June 30, 2020**

XIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2019-2020	2018-2019
		Kshs	Kshs
NGCDF Board			
AIE NO	B041033	43,210,063.50	-
AIE NO	B047391	4,000,000.00	-
AIE NO	B041454	20,000,000.00	-
AIE NO	B047872	7,000,000.00	-
AIE NO	B049249	14,000,000.00	-
AIE NO	B104264	23,000,000.00	-
AIE NO	B005368	-	11,379,310.35
AIE NO	B030047	-	10,000,000.00
AIE NO	B030369	-	13,000,000.00
AIE NO	B006313	-	7,000,000.00
AIE NO	A699032	-	11,000,000.00
AIE NO	A042724	-	13,000,000.00
TOTAL		111,210,064	65,379,310

2. COMPENSATION OF EMPLOYEES

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	2,681,514	2,978,405
Other personal payments	-	81,400
Pension and other social security contributions (Gratuity)	809,462	623,303
Employer Contributions Compulsory national social security schemes	134,200	43,200
Total	3,625,176	3,726,308

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
DADAAB CONSTITUENCY**

**Reports and Financial Statements
For the year ended June 30, 2020**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. USE OF GOODS AND SERVICES

	2019-2020	2018-2019
	Kshs	Kshs
Committee Expenses and Allowances		3,962,205
Utilities, supplies and services	19,560	248,391
Communication, supplies and services	-	200,000
Domestic travel and subsistence	-	240,000
Printing, advertising and information supplies & services	-	200,000
Rentals of produced assets	980,000	756,000
Training expenses	350,000	300,000
Hospitality supplies and services	200,000	70,000
Insurance costs	-	0
Specialized materials and services	-	0
Office and general supplies and services	684,700	300,000
Other operating expenses	730,000	400,000
Routine maintenance – other assets	-	40,000
Fuel, oil and lubricant	729,787	0
Bank charges	69,665	0
Strategic plan	0	4,000,000
Total	7,423,709	10,716,596

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
DADAAB CONSTITUENCY**
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For the year ended June 30, 2020
NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019-2020 Kshs	2018-2019 Kshs
Transfers to primary schools	25,619,082	30,611,321
Transfers to secondary schools	27,668,350	984,888
Transfers to tertiary institutions	6,700,000	-
TOTAL	59,987,432	31,596,209

5. OTHER GRANTS AND OTHER PAYMENTS

Description	2019-2020 Kshs	2018-2019 Kshs
Bursary – secondary schools	2,519,800	13,923,000
Bursary – tertiary institutions	14,887,238	15,184,228
Security projects	16,912,500	20,332,102
Sports projects	2,177,980	1,735,800
Environment projects	1,150,000	1,735,800
Emergency projects	6,635,000	10,147,965
Total	44,282,518	63,058,895

6. ACQUISITION OF ASSETS

Description	2019-2020 Kshs	2018-2019 Kshs
Purchase of Office Furniture and General Equipment	1,100,000	700,000
Purchase of ICT Equipment, Software and Other ICT Assets	500,000	-
Total	1,600,000	700,000

7. Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2019-2020 Kshs	2018-2019 Kshs
<i>First Community Bank, Garissa Branch</i>	1,652,536	4,977,307
Total	1,652,536	4,977,307

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NGCDF) –
DADAAB CONSTITUENCY**

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For the year ended June 30, 2020**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. BALANCES BROUGHT FORWARD

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	4,977,307	48,696,411
Total	4,977,306	48,696,411

9. UNUTILIZED FUND (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	487,777	212,953
Use of goods and services	2,595,389	1,556,003
Amounts due to other Government entities	25,081,281	32,898,966
Amounts due to other grants and other transfers	50,309,999	20,973,636
Acquisition of assets	0	0
Others	4,677,027.20	4,677,027
	83,151,473.2	60,318,585

10. PMC account balances (See Annex 5)

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances	-	-
	-	-

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
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For the year ended June 30, 2020

ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

There were no pending accounts payables as at 30 June 2020

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2020

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

There were no pending staff payables as at 30 June 2020

NATIONAL GOVERNMENT ENTITY - (Indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2020

ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2019/2020 Kshs	Outstanding Balance 2018/2019 Kshs	Commitment
1.0 Administration and Recurrent				
1.1 Compensation of employees		487,777	-	Pending Disbursement
Subtotals		487,777		
2.3 Use of goods and services		4,979,389	-	Pending Disbursement
Subtotals		4,979,389		
7.0 Primary Schools Projects				
Lix Sheel Primary School		1,800,000	-	Pending Disbursement
Marothiley Primary School		1,800,000	-	Pending Disbursement
Dertu Primary School		3,000,000	-	Pending Disbursement
Magudo Primary School		1,700,000	-	Pending Disbursement
Bula Kheir Primary school		1,700,000	-	Pending Disbursement
8.0 Secondary Schools Projects				
Nasib Secondary School		4,000,000	-	Pending Disbursement
Alikune Secondary School		3,000,000	-	Pending Disbursement
Alikune Secondary School		1,700,000	-	Pending Disbursement
Liboi Secondary school			-	Pending Disbursement

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)

**Reports and Financial Statements
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			3,000,000						
Liboi Secondary school			1,611,534						Pending Disbursement
Damajaley secondary school			900,000						Pending Disbursement
Damajaley secondary school			300,000						Pending Disbursement
Dertu Secondary School Admin Block PMC			469,747						Pending Disbursement
9.0 Tertiary institutions Projects									
Sub county Education office			100,000						Pending Disbursement
Sub-Total			25,081,281						Pending Disbursement
3.0 Emergency									
Emergency			563,241						Pending Disbursement
4.0 Bursary and Social Security									
4.2 Secondary Schools			12,544,966						Pending Disbursement
4.3 Tertiary Institutions & Universities			408,728						Pending Disbursement
4.5 Social Security			6,000,000						Pending Disbursement
5.0 Sports									
Sports			2,747,354						Pending Disbursement
6.0 Environment									
Saretho Primary School			457,892						Pending Disbursement
Dadaab primary School			457,892						Pending Disbursement
Liboi Primary school									Pending Disbursement

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
Reports and Financial Statements
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			457,892				Pending Disbursement
Dagahley Primary school			457,892		-		Pending Disbursement
Damajaley secondary school			457,892		-		Pending Disbursement
Kulan Primary School			457,892		-		Pending Disbursement
10.0 Security Projects							
Dadaab Deputy County Commissioner's Office			5,000,000		-		Pending Disbursement
Alango Arba Administration Police Camp			3,000,000		-		Pending Disbursement
Liboi Police Camp – Officer Commanding Station			2,000,000		-		Pending Disbursement
Liboi Police Camp – Officer Commanding Station			1,000,000		-		Pending Disbursement
Assistant County Commissioner Labasigale			3,400,000		-		Pending Disbursement
Assistant County Commissioner Saretho			2,900,000		-		Pending Disbursement
Deputy County Commissioner Liboi			2,900,000		-		Pending Disbursement
Dadaab Deputy county commission			600,000		-		Pending Disbursement
Liboi Deputy County Commissioner			600,000		-		Pending Disbursement
Assistant County Commissioner Saretho			600,000		-		Pending Disbursement
Assistant County Commissioner Liboi			600,000		-		Pending Disbursement
Assistant County Commissioner Labasigale			600,000		-		Pending Disbursement
Liboi Police Camp – Officer Commanding Station			600,000		-		Pending Disbursement
Liboi Administration Police Camp					-		Pending Disbursement

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
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			600,000			
Sinan Development Group			114,356		-	Pending Disbursement
Subtotals			49,525,999			
11.0 Acquisition of assets						
11.3 Purchase of furniture and equipment			95,819		-	Pending Disbursement
Subtotals			95,819			
12.0 Others						
12.2 Innovation Hub			2,981,208		-	Pending Disbursement
Subtotals			2,981,208			
TOTAL			83,151,473			

NATIONAL GOVERNMENT ENTITY - (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2020

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost b/f (Kshs) 2019/20	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2018/19
Office equipment, furniture and fittings	1,800,000	1,100,000	~	700,000
ICT Equipment, Software and Other ICT Assets	500,000	500,000	~	
Total	2,300,000	1,600,000	~	700,000

NATIONAL GOVERNMENT ENTITY (*Indicate actual name of the entity*)
Reports and Financial Statements
For the year ended June 30, 2020

ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2020

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2018/19
Total				

NATIONAL GOVERNMENT ENTITY (indicate actual name of the entity)
Reports and Financial Statements
For the year ended June 30, 2020

PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status:	Timeframe:
1.1	Unaccounted for Bursary Expenses	The supporting documents will be provided	Fund Manager	Not Resolved	June 2021
1.2	Unsupported Water Trucking Expenses	The supporting documents will be provided	Fund Manager	Not Resolved	June 2021
1.3	Unsupported Expenditure on Environment.	The supporting documents will be provided	Fund Manager	Not Resolved	June 2021
2	Unaccounted for Committee Expenses	The supporting documents will be provided	Fund Manager	Not Resolved	June 2021
Other Matters					
1	Budget Control and Performance	Were necessary documents were provided.	Fund Manager	Not Resolved	June 2021
2	Lack of Permanent Assets Register	The fund has now prepared an assets register	Fund Manager	Resolved	-